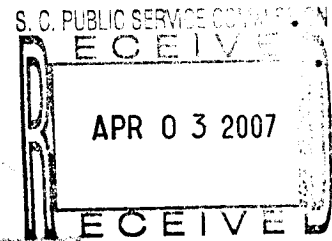


185224

BRICKFIELD BURCHETTE
RITTS & STONE, PC

WASHINGTON, D.C.
AUSTIN, TEXAS

March 30, 2007



Posted: D. Duke

Dept: SA

Date: 4-3-07

Time: _____

Mr. Charles Terreni
Chief Clerk
Public Service Commission of South Carolina
P.O. Drawer 11649
Columbia, SC 29211

Re: Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. –
Annual Review of Base Rates for Fuel Costs.
Docket No. 2007-1-E

Dear Mr. Terreni:

Enclosed for filing is Nucor Steel-South Carolina's First Set of Continuing Data Requests to PEC in the above referenced matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael K. Lavanga".

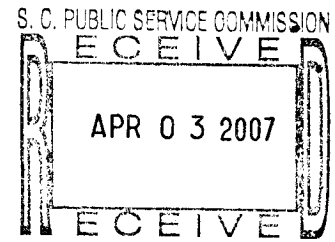
Michael K. Lavanga

Enclosure

BRICKFIELD BURCHETTE
RITTS & STONE, PC

WASHINGTON, D.C.
AUSTIN, TEXAS

March 30, 2007



Len S. Anthony, Esq.
Carolina Power and Light Company d/b/a
Progress Energy Service Company
Legal Department – PEB 17A4
Post Office Box 1551
Raleigh, NC 27602

Re: Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. –
Annual Review of Base Rates for Fuel Costs.
Docket No. 2007-1-E

Dear Len:

I have enclosed Nucor Steel-South Carolina's First Set of Continuing Data Requests to PEC in the above referenced matter. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Garrett A. Stone".

Garrett A. Stone
Michael K. Lavanga

Enclosure

cc: Florence P. Belser,
Wendy B. Cartledge, Esq.
Nanette S. Edwards, Esq.

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2007-1-E

In the Matter of:)	
)	
Carolina Power & Light Company d/b/a)	NUCOR-STEEL
Progress Energy Carolinas, Inc.)	SOUTH CAROLINA'S
Annual Review of Base Rates)	FIRST SET OF
For Fuel Costs)	CONTINUING DATA REQUESTS
)	TO PEC

Nucor Steel-South Carolina ("Nucor") hereby propounds the following data requests (interrogatories and requests for production of documents) to Progress Energy Carolinas, Inc. ("PEC") and requests that the information and documents requested below be provided within 20 days of receipt of this request by PEC. These requests are continuing in nature and PEC is requested to provide any and all information available as of the date of the response and then complete or update the response as necessary as additional information becomes available.

INSTRUCTIONS

1. In answering each Request, please state the text of the Request prior to providing the response. Each Request and applicable response should be on a separate page. Where there are subparts to a Request, each subpart and applicable response should be on a separate page. Each Request is continuing in nature. Thus, if PEC acquires or discovers additional or different information with respect to a Request after the Request has been initially answered, PEC is required to supplement its response immediately following the receipt of such additional or different information, giving the additional or different information to the same extent as originally requested. PEC may not postpone serving such responsive supplemental information until after the filing of any testimony or supporting documents in this proceeding. Initial and supplementary responses shall be full, complete and accurate since they will be relied upon by Nucor for the purposes of this proceeding. For each Request, list all assumptions made by PEC in answering said Request.
2. In the event that PEC asserts that any of the information requested is deemed by it to be privileged or proprietary, then PEC in its written response should identify any such data, and any supporting documents, by date and general content. PEC should also identify all persons who participated in the preparation of the document and all persons, inside or outside PEC, who received a copy, read, or examined any such document. In addition, PEC should indicate its claim of privilege with particularity and describe the grounds upon which privilege is claimed. State the present location of the document and all copies thereof and identify each person having custody or control of the document and said copies.

SOUTH CAROLINA PUBLIC SERVICE COMMISSION, DOCKET NO. 2007-1-E
NUCOR'S FIRST SET OF CONTINUING DATA REQUESTS

3. To the extent that PEC asserts that any requested information is not relevant or not material to any issue in the above-captioned matter, PEC, in its written response hereto, should indicate a specific basis for said assertion in the context of any issues arising in this proceeding.
4. In the event PEC asserts that any requested information is not available in the form requested, PEC, in its written response thereto, should disclose the following:
 - (a) the form in which the requested data currently exists (identifying documents by title);
 - (b) whether it is possible under any circumstances for PEC to provide the data in the form requested;
 - (c) the procedures or calculation necessary to provide the data in the form requested;
 - (d) the length of time (in hours or days) necessary for PEC to prepare the data in the form requested; and
 - (e) the earliest dates, time period, and location that representatives of Nucor may inspect PEC's files, records or documents in which the requested information currently exists.
5. The Requests contained herein contemplate that individual copies of any documentary material requested will be provided to Nucor as is the usual custom in regulatory proceedings. In the event that PEC asserts that any requested documents are too voluminous, or, for some other reason, copies cannot be provided to Nucor, PEC is requested to make such voluminous or otherwise undeliverable documentary material available for inspection as of the date of the required written responses at such time and place as may be mutually agreed upon among counsel for the parties. PEC is requested to provide notice to Nucor at least two Business Days in advance of the date of the required written responses that it contemplates asserting that any requested documents will be too voluminous to provide Nucor with individual copies, or will otherwise be undeliverable according to PEC. PEC is also requested to provide notice no less than 2 Business Days in advance of the date of required written responses estimating the size and character of any voluminous materials and/or documents, and to provide copying of any noticed materials pursuant to Nucor's designation at Nucor's expense at that time.
6. In providing documents, PEC is requested to furnish all documents or items in its physical possession or custody, as well as those materials under the physical possession, custody or control of any other person acting or purporting to act on behalf of PEC or any of PEC's employees or representatives, whether as an agent, independent contractor, attorney, consultant, witness, or otherwise. If documents responsive to a request existed at one time but have been discarded, lost or destroyed, please describe by category such documents, state the identity of the person having knowledge of the circumstances of their discard, loss or destruction, and state the date on which such documents were discarded, lost or destroyed.
7. To the extent any requested document cannot be provided in full, it shall be provided to the extent possible, with an indication of what document or portion of what document is being withheld and the reasons for withholding said document.
8. Documents are to be produced as they are kept in the usual course of business. To the extent that they are attached to each other, documents should not be separated.

**SOUTH CAROLINA PUBLIC SERVICE COMMISSION, DOCKET NO. 2007-1-E
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9. Documents not otherwise responsive to this Request shall be provided if such documents are attached to documents responsive to this Request, and constitute routing slips, transmittal memoranda, letters, comments, evaluations, or similar materials.
10. For each Request answered, provide the name of the person or persons answering, the title of such persons and the name of the witness or witnesses who will be prepared to testify concerning the matters contained in each response or document provided. PEC shall provide all responses under oath.
11. Unless otherwise indicated, the following Requests shall require you to furnish information and tangible materials pertaining to, in existence, or in effect for the whole or any part of the period from January 1, 2005, through and including the date of your response.
12. Where these Requests seek quantitative or computational information (*e.g.*, models, analyses, databases, formulas) stored by PEC or its consultants in machine-readable form, in addition to providing a hard copy, PEC is requested to furnish such machine-readable information on CD-ROM in MS Excel file format.
13. To the extent possible, where these Requests seek non-quantitative narrative information (*e.g.*, studies, reports, memorandum, correspondence) stored by PEC or its consultants in machine readable form, in addition to providing a hard copy, PEC is requested to furnish such machine-readable information on CD-ROM in MS Word format.
14. Responses to any of these Requests may include incorporation by reference to responses to other Requests only under the following circumstances:
 - (a) the reference is explicit and complies with instruction 11; and
 - (b) unless the entirety of the referenced response is to be incorporated, the specific information or documents of the referenced response shall be expressly identified.
15. Nucor requests that PEC send by overnight delivery service (such as Federal Express or a comparable service) one copy of its responses to this Request to each of the following:

Garrett A. Stone
Michael K. Lavanga
Brickfield, Burchette, Ritts & Stone, P.C.,
1025 Thomas Jefferson Street, NW
Eighth Floor-West Tower
Washington, DC 20007

Thomas S. Mullikin
Robert R. Smith II
Moore & Van Allen, PLLC
100 North Tryon Street
Suite 4700
Charlotte, NC 28202

Responsive information and documents should be provided as they become available and should not be withheld until a complete response to all of Nucor's requests is available.

SOUTH CAROLINA PUBLIC SERVICE COMMISSION, DOCKET NO. 2007-1-E
NUCOR'S FIRST SET OF CONTINUING DATA REQUESTS

DEFINITIONS

1. "PEC" refers to Carolina Power & Light d/b/a Progress Energy Carolinas, Inc., its parent(s), subsidiaries, affiliates, predecessors, successors, officers, directors, agents, employees, and other persons acting in its behalf.
2. "PSC" means the South Carolina Public Service Commission.
3. "Nucor" means Nucor Steel-South Carolina.
4. "Historical period" refers to the time period between April 1, 2006 and March 31, 2007.
5. "Forecast period" or "projected period" refers to the time period between April 1, 2007 and June 30, 2008.
6. "Identify" means as follows:
 - (a) when used in reference to an individual, to state his full name and present or last known residence address and telephone number, his present or last known position and business affiliation, and his position and business affiliation at the time in question;
 - (b) when used in reference to a commercial or governmental entity, to state its full name, type of entity (e.g., corporation, partnership, single proprietorship), and its present or last known address;
 - (c) when used in reference to a document, to state the date, author, title, type of document (e.g., letter, memorandum, photograph, tape recording, etc.) and its present or last known location and custodian;
 - (d) when used in reference to a communication, to state the type of communication (i.e., letter, personal conversation, etc.), the date thereof, and the parties thereto and, in the case of a conversation, to state the substance, place, and approximate time thereof, and identity of other persons in the presence of each party thereto; and
 - (e) when used in reference to an act, to state the substance of the act, the date, time, and place of performance, and the identity of the actor and all other persons present.
7. The term "document" as used in the Requests contained herein is used in its customary broad sense, and includes, without limitation, any kind of printed, recorded, written, graphic, or photographic matter and things similar to any of the foregoing, regardless of their author or origin. The term specifically includes reports, studies, statistics, projections, forecasts, decisions and orders, e-mail communications, intra-office and inter-office communications, correspondence, memoranda, financial data, summaries or records of conversations or interviews, statements, returns, diaries, workpapers, graphs, sketches, computer printouts, summaries or reports of investigations or negotiations, opinions or reports of consultants, photographs, brochures, bulletins, pamphlets, books, articles, advertisements, circulars, press releases, graphic records or representations or publications of any kind (including microfilm, videotape and records, however produced or reproduced), electronic, mechanical and electrical records of any kind (including, without limitation, tapes, tape cassettes, disks and records), other data compilations (including, without limitation, input/output files, source codes, object codes, program

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documentation, computer programs, computer printouts, cards, tapes, disks and recordings used in automated data processing together with the programming instructions and other material necessary to translate, understand or use the same), all drafts, prints, issues, alterations, modifications, changes and amendments to the foregoing, and all other documents or tangible things of whatever description that constitute or contain information within the scope of a Request that are in the possession of PEC. A Request seeking the identification or production of documents addressing, relating or referring to, or discussing a specified matter encompasses documents having a factual, contextual, or logical nexus to the matter, as well as documents making explicit or implicit reference thereto in the body of the documents. Originals and duplicates of the same document need not be separately identified or provided; however, drafts of a document or documents differing from one another by initials, interlineations, notations, erasures, file stamps, and the like shall be deemed to be distinct documents requiring separate identification or production.

8. "Communication" shall mean any transmission of information by oral, graphic, written, pictorial, or otherwise perceptible means, including, but not limited to, telephone conversations, letters, telegrams, e-mail and personal conversations. A Request seeking the identity of a communication addressing, relating or referring to, or discussing a specified matter encompasses documents having factual, contextual, or logical nexus to the matter, as well as communications in which explicit or implicit reference is made to the matter in the course of the communication.
9. The "substance" of a communication or act includes the essence, purport or meaning of the same, as well as the exact words or actions involved.
10. Words expressing the singular number shall be deemed to express the plural number; those expressing the masculine gender shall be deemed to express the feminine and neuter genders; those expressing the past tense shall be deemed to express the present tense; and vice versa.
11. The unqualified terms "or" and "and" shall be construed either conjunctively or disjunctively to bring within the scope of these Requests any matters that might otherwise be construed to be outside their scope.
12. The unqualified term "person" shall mean an individual, corporation, partnership, unincorporated association or other business or governmental entity.
13. The term "e.g." or "for example" indicates illustration by example, not limitation.

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NUCOR'S FIRST SET OF CONTINUING DATA REQUESTS

QUESTIONS

- NUC-1-1 On a continuing basis, please identify and provide copies of all information provided by PEC to anyone or any party related to this docket (or the issues in this docket) including, but not limited to, correspondence, discovery and other requests for data and corresponding responses, oral or written.
- NUC-1-2 Please identify and provide copies of all documents used by PEC in connection with preparing its testimony and exhibits (direct or rebuttal) in this docket.
- NUC-1-3 (a) As of the due date for your response to this data request, please state whether PEC plans to ask for an increase or a decrease in its fuel factor when it files its direct testimony in this proceeding. (b) Provide PEC's best estimate of the new fuel factor based on information available as of the due date of your response to this request. (c) Identify and provide any forecast of costs and sales on which this estimate is based.
- NUC-1-4 Provide a copy of each forecast of fuel costs and revenues through June 2008 that support each monthly forecast included in each monthly fuel report submitted by PEC since March 2006.
- NUC-1-5 Referring to the study of PEC's fuel procurement prepared by ORS in 2006:
- (a) Identify and provide a copy of all information provided by PEC to ORS.
 - (b) Update all information provided to ORS to make it as current as possible and provide a copy.
- NUC-1-6 Please provide the following information for all existing and/or proposed coal contracts that have supplied, or will supply, coal to PEC during the historical and forecast periods.
- (a) The name of the vendor/supplier;
 - (b) The start and end dates of the contract;
 - (c) The contract identification number and status (*i.e.*, executed or in negotiation);
 - (d) For contracts in negotiation, the status of the negotiations and the anticipated completion date;
 - (e) The per unit coal cost and freight costs per the contract;
 - (f) The quality aspects of coal (*e.g.*, sulfur content, etc.) and geographic origin;
 - (g) The "minimum" and "maximum" coal volumes per the contract;

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- (h) The amount of coal anticipated to be delivered under the contract and as relevant the amount of coal actually delivered under the contract.

NUC-1-7 Referring to the operations of PEC's nuclear units since April 1, 2006 and specifically to any outages:

- (a) Identify and provide a list of each outage;
- (b) Indicate whether the outage was planned or forced;
- (c) Indicate the length of the outage (both planned and actual);
- (d) Identify and provide all documents provided to the NRC related to the outage;
- (e) Identify and provide all documents produced by the NRC related to the outage;
- (f) Describe in detail why PEC believes that the outage was the result of reasonable actions by PEC and not due to PEC's imprudence; and
- (g) Identify and provide all internal assessments of the cause of the outage and/or PEC's performance during the outage.

NUC-1-8 For each set of coal contract negotiations with any supplier or potential supplier conducted by PEC since April 1, 2006:

- (a) Identify and provide a list of each negotiation, the start and end dates, and describe in detail the outcome;
- (b) Explain in detail PEC's objectives;
- (c) Explain in detail why PEC believes the outcome was reasonable and the result of prudent action;
- (d) Identify and provide a copy of the contract, if any;
- (e) Identify and provide a copy of communications (or evidence of communications) with potential supplier; and
- (f) Identify and provide a copy of all internal communications, analyses or memoranda related to the purchase.

NUC-1-9 Referring to PEC's purchasing of fuel and off-system power:

- (a) Please describe in narrative detail PEC's goals or objectives in purchasing fuel or off-system power in general and each specific type of fuel or power in particular;
- (b) Please explain in narrative detail what PEC is doing to achieve each of those objectives;
- (c) Please identify, explain in narrative detail and provide copies of all fuel or power purchasing policies (for fuel purchases in general and for each specific type of fuel in particular) at PEC that are and/or have been in effect, formally and informally, at any time since January 1, 2005;

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- (d) Please identify and provide all requests for proposals PEC has issued for purchased power since January 1, 2005.
- (e) Please indicate any objectives or actions that have changed since PEC's last fuel proceeding; and
- (f) Please identify and provide all relevant documents related to subsections (a) through (e).

NUC-1-10 To the degree any of PEC's fuel suppliers have become subject to bankruptcy proceedings since January 1, 2005, please:

- (a) Describe in detail and quantify the impact of these proceedings on PEC's cost of fuel for the historical period and separately for the forecast period;
- (b) Describe in detail PEC's actions to mitigate the impact of these proceedings;
- (c) Identify and provide all related documents.

NUC-1-11 Referring to PEC's resource mix:

- (a) Explain in detail what PEC is doing, formally and informally, to ensure the most efficient and/or least cost generation resource mix.
- (b) In addition, please explain in narrative detail (providing all related documents) how PEC's generation resource mix from a short-term and long-term strategy perspective have changed over time, if at all, since January 1, 2005.
- (c) If any changes have been made to PEC's generation resource mix strategy since January 1, 2005, please explain in narrative detail what circumstances prompted such changed strategies, what the objectives of such changed strategies were, and whether any and all objectives were achieved.
- (d) Please identify and provide all relevant documents detailing PEC's efforts to establish the appropriate mix to minimize the long-term cost to consumers.

NUC-1-12 Referring to PEC's sales for the historical period, please provide:

- (a) PEC's kwh sales by customer class;
- (b) PEC's kwh sales by rate schedule;
- (c) PEC's billing demands by customer class; and
- (d) PEC's billing demands by rate schedule.

NUC-1-13 Please identify and provide a copy of any internal (or external but done on behalf of PEC) analyses, studies or documents regarding comparisons of:

- (a) generation resource mix among utilities;
- (b) fuel costs among utilities; and
- (c) purchased power costs among utilities.

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- NUC-1-14 Please explain whether any of PEC's existing long-term or short-term coal supply contracts contain price adjustment clauses. If the answer is yes, please explain the terms of each price adjustment clause and provide all communications and documents related to any price adjustment clause negotiations undertaken by PEC regarding any existing coal supply contract.
- NUC-1-15 Referring to PEC's evaluation of the term and spot markets for coal, nuclear, oil and natural gas relative to its portfolio management practices:
- (a) Since March 31, 2006 for each fuel type, identify the percentage acquired through spot purchases, the percentage acquired through long-term contracts, and the percentage acquired on some other basis.
 - (b) Please explain the economic factors that influenced the relative percentage of spot and long-term purchases since January 1, 2005 relative to total coal tons purchased.
 - (c) Does PEC have any written policies, formal or informal, regarding the procurement of fuel (of any type) on the spot market? If so, please provide a copy of all such written policies.
 - (d) During the historical period, was PEC able to procure fuel (of any type) on the spot market for a below market price? If yes, what market factors enabled purchases below spot prices?
- NUC-1-16 Referring to fuel hedging practices:
- (a) Does PEC, or any of its affiliates, use any form of fuel cost hedging? Explain in narrative detail why or why not.
 - (b) If the answer to (a) is yes, please provide a detailed explanation of all short and long-term hedging program(s) as well as the monthly dollar gains and/or losses for such program(s) for the period between January 1, 2005 and the date of response to this request.
 - (c) Please also provide all studies, analyses, and other documentation related to all historical and forecasted impact(s) of such program(s) on PEC's fuel procurement costs.
- NUC-1-17 Referring to sales forecasts:
- (a) Please provide PEC's projected kwh sales by customer class for the forecast period.
 - (b) Please provide PEC's projected kwh sales by rate schedule for the forecast period.
 - (c) Please provide PEC's projected billing demands by customer class for the forecast period.
 - (d) Please provide PEC's projected billing demands by rate schedule for the forecast period.

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- (e) Please provide all system and South Carolina sales forecasts prepared by PEC since January 1, 2006;
- (f) Please provide all sales forecasts developed or utilized by PEC for purposes of determining historical or forecasted fuel costs and/or fuel factors in NC or SC since January 1, 2006;
- (g) Please provide a detailed narrative explanation as to how PEC has developed or will develop its monthly sales for both the historical and forecast period (for both SC and total system).
- (h) Identify and provide all documents used in preparing the historical and forecast sales numbers and all related documents.

NUC-1-18 Referring to fuel cost forecasts:

- (a) Please identify and provide all PEC's overall (including all items recoverable through the fuel factor in South Carolina) fuel cost forecasts that it proposes to use in this docket.
- (b) Please provide a detailed narrative explanation how this forecast was developed and how it best represents PEC's expected fuel costs to be paid during the forecast period.

NUC-1-19 Referring to coal price forecasts:

- (a) Please identify and provide PEC's coal price forecast that it proposes to use in this docket.
- (b) Please provide a detailed narrative explanation how this forecast was developed and how it best represents PEC's expected coal price to be paid during the forecast period. If PEC relies on a forecast by a third party, please identify that party and why PEC relies on their forecast.
- (c) Please identify and provide copies of all coal price forecasts (for each type of coal utilized by PEC), including externally generated forecasts, reviewed by PEC personnel formally or informally since January 1, 2005.
- (d) Please explain in detail and provide workpapers and related documents that show how, and to what extent, these forecasts were integrated and/or used in developing projected coal prices used in projecting the fuel costs for the forecast period.
- (e) Please further explain all other factors used to develop projected coal prices used in projecting the fuel costs for the forecast period.

NUC-1-20 Referring to natural gas price forecasts:

- (a) Please identify and provide PEC's natural gas price forecast that it proposes to use in this docket.
- (b) Explain and show the relationship between such gas price forecast and NYMEX prices.

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- (c) Explain in detail whether PEC uses NYMEX prices to develop its gas price forecast and, if so, what modifications or adjustments are made to these prices and why.
- (d) Please provide a detailed narrative explanation how PEC's natural gas price forecast was developed and how it best represents PEC's expected natural gas price to be paid during the forecast period. If PEC relies on a forecast by a third party, please identify that party and why PEC relies on their forecast.
- (e) Identify the cost of gas delivery, if any, included in PEC's gas price forecasts and explain the basis for such forecasted cost.
- (f) Please identify and provide copies of all natural gas price forecasts, including externally generated forecasts, reviewed by PEC personnel formally or informally since January 1, 2005.
- (g) Please explain in detail and provide workpapers and related documents that show how, and to what extent, these forecasts were integrated and/or used in developing projected natural gas prices used in projecting the fuel costs for the forecast period.
- (h) Please further explain all other factors used to develop projected natural gas prices used in projecting the fuel costs for the forecast period.

NUC-1-21 Please identify and provide a detailed narrative explanation of all decision-making processes and deliberations of PEC since January 1, 2004 to diversify its coal purchasing practices and/or purchase coal from coal basin regions other than the Central Appalachian ("CAPP") region. In addition:

- (a) Can PEC burn coal from regions other than CAPP at any of its plants? If the answer is yes, identify each plant and any limitations on such use.
- (b) Provide copies of all analyses performed by PEC which compares the delivered cost of coal from other coal basins (*e.g.*, Powder River, Uinta Basin, and Illinois Basin) to the delivered cost of coal from those sources upon which PEC presently relies upon for its coal supplies.
- (c) If PEC has performed no studies comparing the delivered cost of coal from other coal basins (*e.g.*, Powder River, Uinta Basin, and Illinois Basin) to the delivered cost of coal from those sources upon which PEC presently relies upon for its coal supplies, please explain why.
- (d) Please provide all data and reports in PEC's possession which compares the market price of coal from different coal basins within the United States.
- (e) Would coal from the other sources meet required North and South Carolina plant quality standards? Please explain the answer in detail.

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- (f) Describe in detail any modifications necessary to PEC's units to burn coal from other sources (*e.g.*, Powder River, Uinta Basin, and Illinois Basin), indicate the expected costs of such changes, and describe in detail what actions PEC is taking regarding this issue.
- (g) Has PEC conducted studies of the potential to utilize coal from other sources? If so, please provide copies of any such studies. If not, explain in detail why not.

NUC-1-22 Referring to purchasing non-CAPP coal:

- (a) Please describe in narrative detail and provide all documentation related to efforts undertaken by PEC since January 1, 2004 evaluating the ability and needed investments for PEC to burn coal with quality aspects and geographic origins that differ from CAPP region coal.
- (b) Please provide copies of all documents and correspondence related to purchasing non-CAPP coal, if any, during the historical period.
- (c) Please identify and provide copies of all internal analyses (or external but done on behalf of PEC) since January 1, 2004 evaluating costs impact differentials on PEC's emissions allowance purchases from burning types of coal with quality aspects and/or geographic origins other than CAPP region coal.
- (d) Provide the actual average delivered cost of coal to each PEC plant during the period April 2006 through March 2007.
- (e) Provide the estimated average delivered cost of coal from the Powder River Basin to each PEC plant during the period April 2006 through March 2007.

NUC-1-23 (a) If PEC's proposed fuel factor is approved in this proceeding, what is PEC's estimate of fuel factors necessary for future years? (b) Identify and provide all related documents.

NUC-1-24 Please describe in narrative detail all actions taken by PEC to reduce or control its escalating fuel costs since January 1, 2005.

- (a) Provide all specific examples of actions taken during the historical period and any cost reducing results achieved.
- (b) Identify and provide all related documents.

NUC-1-25 Referring to any PEC estimates of monthly and/or annual future fuel costs (for all costs proposed to be passed through PEC's fuel factor in South Carolina) for each projected monthly period from April, 2007 through June, 2008:

- (a) Identify and provide all documents and information used to calculate and support these estimates (this should include, but not be limited to, a listing of the inputs and resulting output of all

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models used in developing the projections and a description of each model and how it is used in the process);

- (b) Explain in detail each step of the methodology by input (*e.g.*, type of fuel, purchased power, transmission expense, emissions allowances, etc.) PEC uses to forecast/project its future monthly fuel cost for SC fuel factor purposes;
- (c) For each month, explain in detail and provide detailed workpapers showing the estimated fuel cost for each plant, the generation expected from each plant, and how those costs build up to the projected cost in this docket (in a manner similar to how PEC reports its historical monthly fuel costs);
- (d) For each month, explain in detail and provide detailed workpapers showing the projected cost of purchased power, transmission, and emission allowances, and how those costs build up to the projected cost in this docket; and
- (e) Identify and provide all evidence supporting the use and/or integration of these projections in this docket.

NUC-1-26 Please identify and provide copies of all internally prepared or externally prepared reports, studies, and analyses relied upon by PEC management personnel since January 1, 2005 in making any decisions regarding its fuel and power purchasing practices.

NUC-1-27 Please identify and provide copies of all internally prepared reports (or externally prepared but on PEC's behalf), studies, analyses, correspondence, projections or presentations since January 1, 2005 addressing volatility in the cost/price of coal. In addition, identify and provide copies of all related documents prepared since January 1, 2005 addressing all recommended strategies for mitigating the impact of coal price volatility.

NUC-1-28 Please provide a list and narrative summary for each of PEC's current generation resources, and for each provide the following information:

- (a) Whether the resource is owned or contracted for purchase;
- (b) Whether it is considered a base, intermediate or peaking resource;
- (c) Its nominal or rated capacity;
- (d) Its fuel source;
- (e) Its approximate marginal dispatch cost;
- (f) Its average heat rate in each month since January 1, 2005;
- (g) Its date of commercial operation; and
- (h) Its expected remaining contract or expected useful life.
- (i) Please provide all documents relevant to the answers to (a) through (g) above.

NUC-1-29 Please identify and provide copies of presentations made, or provided, to investment analysts, credit rating agencies, research analysts, brokerage firms, or

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investment banking firms by the personnel of PEC or any of its affiliates since January 1, 2005.

- NUC-1-30 Please identify and provide all studies PEC has conducted or had conducted on its behalf related to its fuel and/or purchased power purchasing performance. Please identify and provide a copy of any internal or external analyses of PEC's fuel or purchased power purchasing performance.
- NUC-1-31 For each economy purchase that PEC proposes to include in fuel costs, provide a detailed summary narrative as well as all evidence demonstrating that each individual purchase:
- (a) Was "made to displace higher cost generation;"
 - (b) Was at a "total delivered cost" "which is less than the purchasing utility's [PEC's] avoided variable costs for generation of an equivalent quantity of electric power."
 - (c) Identify and provide all related documents.
- NUC-1-32 Please state the total cost of all the firm generation capacity purchases that PEC proposes to include in actual fuel costs in this case. For this total cost figure please state (and identify and provide any calculations and supporting materials):
- (a) The percentage of cost attributable to fuel;
 - (b) The percentage of cost attributable to transmission charges; and
 - (c) The percentage of cost attributable to other capacity charges.
- NUC-1-33 Please state the total cost of all economy purchases that PEC proposes to include in actual fuel costs in this case. For this total cost figure, please state (and identify and provide any calculations and supporting materials):
- (a) The percentage of cost attributable to fuel;
 - (b) The percentage of cost attributable to transmission charges; and
 - (c) The percentage of cost attributable to other capacity charges.
- NUC-1-34 (a) Please explain whether firm generation capacity purchases and economy purchases that PEC proposes to include in fuel costs include any congestion costs.
(b) If the answer is yes, please explain in detail and quantify.
- NUC-1-35 Please provide all economy power purchase expenses PEC has included in the forecast period. Identify and provide all documents used to develop this economy purchase estimate.
- NUC-1-36 Identify and provide all analyses prepared internally (or externally but on behalf of PEC) containing estimates of the costs PEC avoided or would avoid by purchasing economy power during the historical period.

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NUC-1-37 Referring to any removal of off-system sales fuel costs from fuel costs that PEC considers recoverable from South Carolina customers:

- (a) Please define, support, and provide documentation explaining the method in which fuel costs from PEC's off-system sales are "removed" from those fuel costs it considers recoverable;
- (b) Provide all workpapers showing removal(s) of such fuel costs;
- (c) Explain in detail how PEC determines the appropriate fuel cost to assign to any off-system sales; and
- (d) Quantify any off-system sales, the price received by PEC for such sales and the fuel costs assigned to such sales during the historical and forecast periods and provide details of each sale, the price and the fuel cost assigned.
- (e) Identify and provide all related documents.

NUC-1-38 Referring to PEC's real-time pricing ("RTP") rate (whether in NC or SC):

- (a) Provide the RTP Hourly Energy Charge by hour (and the hourly marginal fuel cost used as a basis for that charge, if different) for each hour during the historical period.
- (b) Provide the RTP Hourly Sales (per kWh) (reflecting only net sales subject to hourly RTP rates) sold in each hour during the historical period.
- (c) Provide the total RTP Hourly Sales (kWh) (reflecting only net sales subject to hourly RTP rates) sold during the historical period and projected to be sold during the projected period by month.
- (d) Provide the total Hourly RTP Rate revenues (reflecting only net sales subject to hourly RTP rates) during the historical period and projected to be sold during the projected period by month.
- (e) Provide the total marginal fuel costs recovered in the Hourly RTP Rate (reflecting only net sales subject to hourly RTP rates) from all customers for each month during the historical period and the projected period.
- (f) Provide the average fuel costs for each hour of the historical period.
- (g) Provide an estimate of the average fuel costs for each hour of the historical period if PEC had not served RTP customers in those hours.
- (h) Provide the hourly non-RTP sales for each hour of the historical period.
- (i) Indicate (or provide PEC's best estimate of) the percentage of hourly Marginal Energy Cost separately attributable to (i) marginal fuel, (ii) operating and maintenance expenses, and (iii) delivery losses.

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- (j) Provide electronic spreadsheets with the data for responses to (a) through (i) above.
- (k) Indicate the number of customers served under the RTP rate in each jurisdiction.
- (l) Explain in detail how PEC treats the RTP rate for fuel cost purposes (is the treatment different between NC and SC?).
- (m) Please provide a copy of each real-time pricing tariff.
- (n) Identify and provide all other internal and external documents explaining the operation of the real time pricing program.

NUC-1-39 Referring to PEC's energy efficiency and demand side management programs (whether in SC or NC):

- (a) Identify and describe all such programs currently offered by PEC;
- (b) State the level of participation in each program from January 1, 2005 until the present.
- (c) Describe in detail any plans PEC has to expand or reduce such programs;
- (d) Explain in detail the effect of such programs on PEC's fuel costs; and
- (e) Provide a copy of each energy efficiency and demand side management tariff; and
- (f) Identify and provide all other internal and external documents explaining the operation of such programs.

NUC-1-40 Please provide the following information for all existing and/or proposed natural gas contracts that have supplied, or will supply, natural gas to PEC during the historical and forecast periods.

- (a) The name of the vendor/supplier;
- (b) The start and end dates of the contract;
- (c) The contract identification number and status (*i.e.*, executed or in negotiation);
- (d) For contracts in negotiation, the status of the negotiations and the anticipated completion date; and
- (e) The "minimum" and "maximum" gas volumes per the contract;

NUC-1-41 For each electricity sales forecast prepared by the utility (or externally but on behalf of the utility) over the past 3 years, please provide:

- (a) The forecasted monthly sales;
- (b) The monthly sales that actually occurred during the historical month; and
- (c) A calculation of the forecasting error.
- (d) An explanation of the source of any forecasting error in excess of 10% in a given month.

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- NUC-1-42 For each coal price forecast prepared by the utility over the past 3 years, please provide:
- (a) The forecasted average coal price;
 - (b) The price actually paid for coal during the historical month; and
 - (c) A calculation of the forecasting error.
 - (d) An explanation of the source of any forecasting error in excess of 10% in a given month.
- NUC-1-43 For each natural gas price forecast prepared by the utility over the past 3 years, please provide:
- (a) The forecasted average natural gas price;
 - (b) The price actually paid for natural gas during the historical month; and
 - (c) A calculation of the forecasting error.
 - (d) An explanation of the source of any forecasting error in excess of 10% in a given month.
- NUC-1-44 Identify and provide all documents provided to the PSC, the South Carolina Office of Regulatory Staff ("ORS"), the North Carolina Utilities Commission, the North Carolina Public Staff, or the Federal Energy Regulatory Commission or its Staff related to PEC's fuel costs since January 1, 2005.
- NUC-1-45 Quantify the cost impact to PEC of any increases in rail prices since January 1, 2005 and explain how these increases are reflected in PEC's historical and forecast period costs. In addition:
- (a) Provide all workpapers showing the details of this impact and the historical and forecast period costs of such rail transportation.
 - (b) Describe in detail PEC's plans to mitigate any price increases and the status of these plans.
 - (c) Provide a narrative summary as well as all internally prepared (or externally prepared but on behalf of PEC) analyses and cost evaluations of any potential alternatives to PEC's existing rail transportation suppliers. This includes any evaluations of coal supply transportation from non-CAPP coal regions.
- NUC-1-46 Please identify and provide all internal (or external but on behalf of PEC) documentation, correspondence, analyses, and policy statements prepared since January 1, 2005 related to any efforts, cost evaluations and/or other strategies undertaken to pursue pollution control investment by PEC to lower emissions, lower SO₂ emissions credit costs, and lower fuel costs (due to the ability to use higher sulfur coal). In addition:
- (a) For any investment in pollution control equipment or operational strategies considered by PEC over the past five years that was not

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pursued by PEC, please explain why the investment or strategy was not pursued or implemented on a system wide basis.

- (b) Please explain the status of PEC's installation of scrubbers at various coal plants, the likely timetable, and the expected effect on fuel costs, emissions credits, operations and output.
- (c) Please explain how costs for PEC's installation of scrubbers at various coal plants are (or are expected to be) recovered in the States of North and South Carolina (describe any differences). Please identify and provide copies of all documents related to cost recovery of installing the scrubbers.

NUC-1-47 Referring to the emission allowances that PEC proposes to recover through the fuel factor in this proceeding:

- (a) Does PEC propose to recover in its fuel factor the cost of emission allowances for NOx?
- (b) If the answer to (a) is yes, provide the amount of such allowances for the historical period and the forecast period separately.
- (c) Describe in detail PEC's policy for purchasing and using SO2 emission allowances. Identify and provide any documents related to such policy.
- (d) Explain how PEC determines the cost for the SO2 emission allowances it chooses to use (*e.g.*, does PEC use the lowest cost allowances first or some other method?) Explain the accounting method used.
- (e) Does PEC ever sell SO2 emissions allowances? If so, identify all allowances sold during the historical period, the method for determining which allowances were sold and the cost attributable to those allowances.
- (f) Provide a list of all SO2 emissions allowances used during the historical period, an indication of the date of use and the purchase price of each.
- (g) Provide a list of all SO2 emissions allowances projected to be used during the forecast period, an indication of the date of expected use and the expected purchase price of each. Provide a workpaper showing the development of this projection and why the number of allowances assumed is correct.
- (h) Provide a list of all SO2 emission allowances presently owned by PEC, showing the cost.
- (i) Provide all documents discussing the historical and projected cost of SO2 emissions allowances.
- (j) Provide data regarding the market price of emissions allowances and how this is expected to affect PEC's fuel costs.

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- NUC-1-48 Please explain and provide all relevant materials as to whether PEC has ever considered adjusting its fuel factor by customer class or voltage level to account for losses at various voltage levels of service.
- (a) Describe in detail PEC's views regarding such a proposal.
 - (b) If PEC's fuel factor were differentiated by voltage level to reflect differences in losses, what would be reasonable factors or multipliers to achieve this goal?
 - (c) Please provide any analyses prepared internally (or externally but on behalf of PEC) detailing such issues.
 - (d) Please provide: (i) loss factors by customer class and voltage level; and (ii) the sales by customer class for the historical period and the projected period.
- NUC-1-49 Please describe all efforts by PEC since January 1, 2005 to uprate or otherwise expand the capabilities of its nuclear plants, and provide all related documents.
- NUC-1-50 Referring to payments to the federal government related to spent nuclear fuel storage:
- (a) Explain in detail the reasons for the charges by the federal government including how the payments are calculated.
 - (b) Provide the amount of such payments by PEC by year since the charges began through March 2007 and indicate the South Carolina share of such payments. Provide the same information on a projected basis for April 2007 through June 2008.
 - (c) Are PEC's payments passed through to consumers through the fuel charge?
 - (d) Identify the amount of such payments passed through to SC customers during the historical period and projected to be passed through during the projected period.
 - (e) Identify and explain in detail and the status of PEC's federal lawsuit against the U.S. Department of Energy regarding this issues as well as describing any related or ongoing recovery efforts (including the amount of damages requested and the likelihood and expected timing of settlement or completion of the litigation and the expected out put).
 - (f) Explain how PEC's suit and the likely results compare with recent suits and settlements by other utilities.
 - (g) Please identify and explain in detail whether and how any awarded or settled damages related to the PEC's federal lawsuit, if any, have been included as an offset to the calculated recoverable fuel costs for the historical period or forecasted period.
 - (h) If PEC does not anticipate including any existing or potentially recoverable damages as an offset in its aggregate fuel cost

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calculations, please provide a narrative summary explaining how PEC plans on treating for ratemaking purposes the existing or potential recoverable damages related to the federal lawsuit against the DOE.

- (i) Identify and provide related documents.

* * * * *



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**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2007-1-E

In the Matter of:)	
)	
Carolina Power & Light Company d/b/a)	Certificate of Service
Progress Energy Carolinas, Inc.)	
Annual Review of Base Rates)	
For Fuel Costs)	

This is to certify that a copy of the foregoing document, **NUCOR STEEL-SOUTH CAROLINA'S FIRST SET OF CONTINUING DATA REQUESTS TO PEC**, was served upon the following parties at the addresses set forth by first-class mail, electronic mail, telefax, or Federal Express on this the 30th day of March, 2007:

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